



RI Office of Management and Budget

State Agency Lean Starter Kit

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Based on the success of the work of the Department of Environmental Management's (DEM) Lean Government Initiative, Governor Lincoln D. Chafee directed the Office of Management and Budget (OMB) to formalize and extend this important work throughout state government. This guide aims to provide a step by step plan to begin this work in state agencies.

Background on Lean Process Improvement

Based on the Japanese method of "Kaizen," or continuous improvement, Lean process improvement activities seek to eliminate waste and backlogs and to increase agency efficiency by streamlining the use of staff time and resources. The Lean process involves value stream mapping of an agency's process, such as permitting or hiring processes, and includes current and future state maps. The current state map defines each step in the process such as handoffs, bottlenecks, errors in documents, waiting time, and applications or reports that are resubmitted and reviewed again. The future state map acts as the guide to how the process should look after several months of improvement. These maps help the Lean team to highlight the inefficiencies in the current state and formulate plans to eliminate any non-value-added activities in order to attain the future state. The Lean team prioritizes the "gaps" between current and future state and develops a work plan with clear tasks to make progress. Lean facilitators follow up with core team members on progress of action steps.

While Lean started in the manufacturing industry, it is increasingly being used in state government to improve processes by removing unnecessary steps. For state government, the goal is to have a more responsive agency to Rhode Island customers, businesses, and taxpayers with transparent processes and improved overall customer service.

A good example of this in Rhode Island state government is the work of the Department of Environmental Management (DEM), which has conducted Lean reviews of six of its major processes. These efforts resulted in faster turnaround times through process improvements. For example, DEM implemented expedited consideration of less complicated site remediation projects and created a Permit Application Center to provide customers with rapid review of applications for accuracy before beginning the technical review process.

Table 1: DEM Lean Process Improvement Initiatives

Site Remediation	Underground Storage Tank Fund
Wetlands Preliminary Determination	Bureau of Natural Resources Warehouse
Air Preconstruction Minor Source Permit	Marine Fisheries Rules Promulgation Process

Why Consider Undertaking a Lean Process Improvement Project?

OMB, in partnership with the Department of Administration's (DOA) Division of Purchases (Purchases), developed Master Price Agreement (MPA) #486 for Lean Process Improvement Services and consultants. Four vendors are available to assist state agencies complete Lean process improvement projects, making it easier to begin this work and improve the productivity of the agency.

Lean improvement work will help the agency address backlogs, improve workflow, strengthen work quality, better meet the needs of the agency's customers, address new challenges, and free up time and resources to focus on the agency's priorities. Gaining time, capacity, and customer and employee satisfaction are compelling reasons to begin a Lean project and work toward continuous improvement in the agency.

Lean Process Improvement Services

Each of the four vendors on MPA #486 offers the following types of services listed in Table 2 below.

Table 2: Lean Process Improvement Services

Type of Service	Description
Facilitation Training	This training focuses on teaching facilitators to be objective, impartial meeting leaders, to ask the right questions to draw ideas and thoughts from the Lean team members, and to assist the team in reaching consensus on processes that need to be improved. Meeting facilitators allow the Lean team to reflect on the processes of their daily work.
General Training	This session provides awareness training on Lean Process Improvement tools, how to identify waste in existing processes, and an introduction of the roles and responsibilities of the participants.
Value Stream Mapping	This session helps the Lean team understand and critically evaluate the current process by following the service from beginning to end. The current state of the process will be analyzed in depth and mapped out visually. This process includes identifying waste or non-value-added steps in the current process, such as steps that are repeated, steps that are unnecessary or could be completed more efficiently, etc. The workflow map will highlight the time it takes and resources needed to complete each step. This leads to the development of the future state map to show how the process should look after improvements are made.
Kaizen Process	This session focuses on brainstorming improvement options for the process using the current state and future state maps. A work plan is developed to implement the solutions and improvements, including assigning responsibility and milestones. This also includes a presentation of the results of the Kaizen event to the agency director. Follow up is an important aspect of this process, with facilitators checking in with Lean team members to ensure the process is being changed on schedule.
In-Depth 5S Training	This session provides information on the Japanese method of using visual cues for workplace organization and efficiency. The “5S” include the following: <ol style="list-style-type: none">1. Sort: eliminating unnecessary materials in the work area;2. Set: arranging and streamlining employees, materials, etc. with a clear work flow that is clear of waste;3. Shine: keeping the workspace and all materials clean and organized;4. Standardize: developing uniform procedures and organization of workspaces; and5. Sustain: institutionalizing this workplace organization through training and communications with employees.
Training – Standardized Work	This training focuses on creating processes that are the most efficient for the workplace and are sequenced in the most effective way to reduce waste, complete the work correctly, and improve the customer experience.
Key Performance Indicators	This session focuses on helping the organization understand, define, and measure progress towards organizational goals using quantifiable measurements.
Lean Tool Support	This service provides information on the tools for implementation, action planning, and improvement measurement to provide sustainable change in the organization.
Communications Support	This service will help communicate Lean process work and outcomes to state leaders and key staff.

As Lean process improvement work is new to nearly all state agencies, General Training and Facilitation Training are recommended for any new project. Value Stream Mapping and Kaizen Process sessions are essential for all process improvement projects. Depending on the scope of work developed by the agency and the quotations received from the MPA vendors, other training sessions may also be relevant.

State Agency Steps in the Lean Vendor Engagement Process

There are three main steps for agencies to engage an MPA #486 vendor: (i) pre-engagement activities; (ii) selected vendor documentation activities; and (iii) final engagement activities.

Pre-Engagement Activities:

Step 1: Identify the agency process that will be the focus of the Lean project and financial resources to contract with a vendor on the MPA. Agencies should review the MPA #486 vendor awards for cost details.

Step 2: Develop a scope of work. (See the scope of work template.)

Step 3: Determine the types of Lean services needed.

Step 4: Establish buy-in and commitment from agency leadership and ownership of Lean work. The DEM and Purchases directors demonstrated their commitment by participating in several Lean sessions.

Step 5: Designate the Lean Team—identify team members (normally between five to eight) to ensure the group meets the needs of the Lean work. The team should have new and long-term employees, front line workers, and end users on the team – all of whom are willing to challenge the status quo and think creatively. The agency will also need to choose two or three facilitators for the process; they should be impartial and comfortable leading group discussions. All participants must be willing to dedicate significant time to the effort, as most sessions are half-day sessions and implementation of the recommendations will take months.

Step 6: Identify sufficient meeting space. Ideally, all Lean sessions should take place in the same room with sufficient wall space to post large process maps and other materials.

Table 3: Lean Review Committee

Step 7: Send project proposal and scope of work to the Lean Review Committee for approval. Allow one to two weeks for review. Table 3 lists the members of the Lean Review Committee.

Brian Daniels	Office of Management and Budget
Abby Swinton	Office of Management and Budget
Allison Rogers	Department of Administration
2 Senior Staff from Agency Seeking Lean Services	

Step 8: Please adhere to Purchases’ MPA #486 Agency User Guide for quotations and scope of work instructions. (See the vendor quotation template and Purchases’ User Guide.)

Step 9: Summarize vendor responses into a one- to two-page memorandum and discuss them with the Lean Team. If the agency has follow up questions, make sure each vendor is asked the same questions. Similarly, if any vendor has questions on the scope of work, ensure all vendors are provided the responses.

Step 10: Update the memorandum to reflect the Lean Team’s recommended vendor and send it to the Lean Review Committee to validate the vendor recommendation. Allow one week for review and approval.

Selected Vendor Documentation Activities

Step 1: Draft a notification letter to the selected vendor that includes an agreement of the project scope and terms covering the project. (See the notification letter template.)

Note: The notification letter template has been pre-approved by Purchases; therefore, Purchases does not need to review the notification letter as long as there are no changes to the language as it appears in Appendix C.

Step 2: Draft a vendor agreement of scope and terms for the selected vendor. (See the vendor agreement letter template.)

Note: The vendor agreement template has been pre-approved by Purchases and DOA Legal Services; therefore, both entities do not need to review the vendor agreement as long as there are no changes to the language as it appears in Appendix D.

Step 3: Send the notification letter and vendor agreement of scope and terms to the selected vendor. Request that the vendor supply all required documentation (as outlined in the agreement) within ten calendar days.

Final Engagement Activities

Step 1: After all required information is received from the selected vendor, send all documentation to your agency chief financial officer (CFO) for submission to Purchases per the Purchases MPA Agency User Guide. This will initiate a zero dollar requisition.

Note: As with all contracts, the vendor must not provide any services until the PO is issued.

Step 2: After the PO is issued, the agency's CFO will verify that the agency will make payments for the vendor's services through a purchase release for the total amount of the contract. Releases should not be created upon receipt of vendor invoices.

Step 3: After the purchase release is approved, the agency may begin working with the Lean vendor.

Other Considerations

State agencies should keep the following points in mind as they begin this work:

- State agencies may not begin work with the Lean vendor until a Purchase Order and the release against the PO has been issued. Once the PO is issued, the agency should initiate contact with the vendor and begin scheduling.
- If other vendors express interest in viewing the other vendors' quotations, they can contact Purchases and file a Public Access request for that information. The state agency should not distribute any information to any vendor outside of this process. To support Purchases' responses to vendors, the agency summary and recommendation memorandum should be clear as to the review process, particularly if the low bidder is not engaged.
- It is very important to have leadership and ownership at the top of this Lean process improvement project for it to be successful. Equally important is to foster an environment where employees are

empowered to identify and solve problems and challenges within the agency during the Lean vendor engagement and well beyond.

- Lean is an ongoing process. Keeping the Lean Team on its timeline to implement improvements, checking in with Team members on the progress of moving from the current state map to the future state map, and continuing to lead and think outside of the box are necessary to ensure a successful Lean process improvement.
- Change is not easy in any institution, but celebrating the efforts of the Lean Team and the rest of the agency for implementing the improvements are important factors in a successful Lean process improvement project. After the Kaizen event, some agencies have used public “report out” meetings with employees and stakeholders to explain their Lean experiences and to describe the necessary steps for improvement going forward.